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AMENDMENT TO H.R. 4173
OFFERED BY MR. BACA OF CALIFORNIA

Page 716, after line 11, insert the following new section:

1 **SEC. 4108A. SHORT-TERM CREDIT PRODUCT STUDY.**

2 (a) **BOARD.**—The Director shall appoint a 7-person
3 board (in this section referred to as the “Board”) con-
4 sisting of the following:

5 (1) 2 representatives from nonprofit consumer
6 advocate groups.

7 (2) 2 representatives from State financial regu-
8 lators with experience in providing regulation on
9 short-term loan products.

10 (3) 2 representatives from entities that provide
11 short-term credit options.

12 (4) 1 representative from the Agency.

13 (b) **STUDY REQUIRED.**—Not later than 180 days
14 after the establishment of the Agency, the Board shall
15 complete a study of short-term credit products that in-
16 cludes an analysis of the following issues:

17 (1) The current lending practices in the short-
18 term credit industry.

1 (2) The common products and services available
2 to consumers as an alternative to short-term credit
3 products, and the true cost to consumers of such al-
4 ternative products.

5 (3) The costs to creditors of providing short-
6 term credit products.

7 (4) The transparency and simplicity regarding
8 the true cost to the consumer of short-term credit
9 products as compared to other financial products.

10 (5) Whether the Truth in Lending Act (15
11 U.S.C. 1601 et seq.) is the most effective way for
12 consumers to compare the cost of short-term credit
13 products to other similar credit products.

14 (6) Customer satisfaction, based on a random
15 sample of recent users of short-term credit products,
16 including both Internet and retail store customers.

17 (c) SOLICITATION OF PUBLIC COMMENT.—In con-
18 nection with the study required by subsection (b), the
19 Board shall solicit comments from interested parties.

20 (d) STUDY RESULTS.—Following the study required
21 by subsection (b), the Board shall publish in the Federal
22 Register a notice that summarizes the results of such
23 study, the comments received from the public solicitation,
24 and other evidence gathered by the Board.

1 (e) GENERAL RULEMAKING AUTHORITY.—After re-
2 viewing the results of the study required by subsection (b),
3 the Director shall prescribe regulations consistent with
4 such results to ensure that—

5 (1) a variety of alternative short-term credit
6 products is available to all types of consumers;

7 (2) such products are fair to the consumer and
8 the creditor;

9 (3) such products contain clear and reasonable
10 disclosures and other reasonably necessary consumer
11 protection attributes; and

12 (4) such products are economically viable for
13 creditors to provide.

